

Introduced by Senator Cedillo

February 17, 2005

An act to amend Sections 3693.1 and 3706.1 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 392, as introduced, Cedillo. Tax-defaulted property sales.

Existing law authorizes a county tax collector to sell tax-defaulted property in a cash or a credit transaction. Existing law authorizes a county tax collector to postpone a public auction sale of tax-defaulted property if certain conditions regarding notice of that postponement are met.

This bill would instead specify that a county tax collector may sell tax-defaulted property in a cash or a deferred-payment transaction. This bill would also authorize a county tax collector to postpone a tax sale that is conducted in the form of a sealed-bid sale. This bill would also make technical, nonsubstantive changes to the provisions relating to tax sale postponements.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 3693.1 of the Revenue and Taxation
- 2 Code is amended to read:
- 3 3693.1. Notwithstanding Section 3693, the tax collector may
- 4 make the sale of any property sold under this chapter a cash or
- 5 ~~credit~~ *deferred-payment* transaction. If the tax collector approves
- 6 the sale as a ~~credit~~ *deferred-payment* transaction, the tax
- 7 collector may require a deposit in the amount of five thousand

1 dollars (\$5,000) or 10 percent of the minimum bid price,
2 whichever is greater. The balance of the purchase price shall be
3 paid by any method of payment authorized by Section 2502,
4 2503.2, or 2504, as specified by the tax collector and within a
5 period specified by the tax collector not to exceed 90 days from
6 the date of the close of auction as a condition precedent to the
7 transfer of title to the purchaser. If the purchaser was required to
8 pay a deposit prior to the date of the sale, the deposit shall be
9 applied toward the purchase price of the property. Failure on the
10 part of the successful bidder to consummate the sale within the
11 period specified by the tax collector shall result in the forfeiture
12 of the deposit and all rights he or she may have with respect to
13 that property. Any forfeiture of deposit shall be distributed to the
14 county general fund and shall not apply to outstanding delinquent
15 taxes. Upon forfeiture the right of redemption shall revive.

16 SEC. 2. Section 3706.1 of the Revenue and Taxation Code, as
17 amended by Section 8 of Chapter 407 of the Statutes of 2004, is
18 amended to read:

19 3706.1. The tax collector ~~shall have authority to~~ *may* postpone
20 ~~the public auction~~ tax sale or any portion thereof under the
21 following conditions:

22 (a) Notice of any postponement of ~~the a public auction tax~~
23 sale shall be made by the tax collector who, by public declaration
24 at the time and place originally fixed for the ~~sale~~ *public auction*,
25 may postpone the sale to a new time, date, and place. No other
26 notice of the postponed ~~sale~~ *public auction* need be given if the
27 date for the new time, date, and place is within seven days of the
28 time originally fixed for the sale.

29 (b) Notice of any postponed *sealed-bid sale or postponed*
30 *public auction* sale that is scheduled to be held not less than eight
31 days nor more than 90 days from the time originally fixed for the
32 sale, shall be made pursuant to the same provisions ~~that were~~
33 followed in providing notice of the original sale to parties of
34 interest, as defined in Section 4675.